REMARKS

Claims 1-14, 20, 21 and 28-31 are pending in the Application and are now presented for examination. In response to the March 23, 2009 Restriction Requirement, Applicants, in their April 20, 2009 communication, elected Claims 1-14, 20-21, 28-32 (Group I) with traverse. Claims Applicants reserve the right to file divisional applications directed toward the unelected claims. Claims 15-19, 22-27, 31 and 33 have been cancelled without prejudice and without disclaimer of subject matter. Claims 1-2, 10-11, 20, 28 and 30 have been amended. No new matter has been added.

Claims 1, 20, 22, 28, 29, and 30 are independent.

Claim Rejections – 35 U.S.C. §101

On page 3 of the Office Action, Claims 1-14, 20-21, and 28-33 were rejected under 35 U.S.C. §101 on the grounds that the claimed invention is directed to non-statutory subject matter. Applicants respectfully disagree with this rejection.

Claim 1

Claim 1 recites, in part, a "program controller" arranged for use with a modular system . . . "the controller being arranged to manage the program automatically, according to an agreement between a supplier and a customer, the agreement having terms stored within the program controller, and according to a stored history of use of the hardware module." The Office Action incorrectly states that Claim 1 (and Claims 2-14, 20-21, and 28-33 which depend from independent Claim 1) are "software per se" and that the "claimed 'structure' of the invention is composed entirely of software" (Office Action, page 3, paragraph 9). The Office Action cites page 11, line 23 of the specification, which includes the language "the program controller being

in the form of software". However, the Examiner has ignored other portions of the specification

that defines the program controller as an "apparatus" and not software.

Specifically, page 10 of the specification recites the following:

> Another aspect provides the **apparatus** for managing a program for use with a
> replaceable hardware module of a modular system, the module being a customer-
> replaceable part, the **apparatus** having means for accessing a stored history of
> use of the hardware module, and means for managing the program automatically,
> according to the history and according to an agreement between a supplier and a
> customer. (emphasis added)

This portion of the specification clearly supports the "program controller" of Claim 1 as

an apparatus, not software. Thus, the statement on Page 3 of the Office Action that "the claimed

'structure' of the invention is composed entirely of software (e.g. controller, interface) and as

such is non-statutory", is incorrect. The program controller may be embodied in an apparatus or

in software. Claim 1 describes a program controller *embodied in an apparatus*. For at least

these reasons, Claim 1, as amended, recites statutory subject matter, and the rejection related to

this claim under 35 U.S.C. § 101 should be withdrawn.

<u>Claim 28</u>

Page 4, paragraph 12 of the Office Action states that Claim 28 is directed to non-statutory

subject matter. In order to qualify as subject matter under 35 U.S.C. § 101, a process must (1) be

tied to another statutory class, i.e., a particular apparatus, or (2) transform underlying subject

matter to a different state or thing. Further, the tie to a particular apparatus cannot be mere extra-

solution activity. *See In re Bilksi*, 545 F.3d 943 (Fed. Cir. 2008).

Claim 28, as amended, recites a "method **performed by a program controller**

apparatus of managing a program **that operates upon a replaceable hardware module of a**

modular system, the module being a customer-replaceable part, the method having the steps of accessing a stored history of use of the hardware module, and controlling the program automatically, according to the history and according to an agreement between a supplier and a customer." The process recited in Claim 28 qualifies as statutory subject matter under 35 U.S.C. § 101 since it ties to an apparatus, namely, a replaceable hardware module. Further, the tie to this apparatus *does not represent extra-solution activity* because the process can result in the detection or preemption of the coupling of an incompatible module (as described in the specification at least on Page 4, lines 31-32). Clearly, this relationship to the hardware module does not represent extra-solution activity, but an important factor in the claimed process.

Further, the Office Action indicates that the method step "should positively recite the machine that accomplishes the method steps." (Office Action, Page 4, paragraph 14). Claim 28, as amended, now positively states that the method is "performed by a program controller apparatus". For at least these reasons, Claim 28, as amended, recites a method that qualifies as statutory subject matter, and the rejection related to this claim under 35 U.S.C. § 101 should be withdrawn.

Claim 30

Claim 30, as amended, recites "**a computer program embedded in a computer readable storage medium**, the computer program **operating upon a replaceable hardware module of a modular system**, the module being a customer-replaceable part, the computer program performing the steps of accessing a stored history of use of the hardware module, and controlling the program automatically, according to the history and according to an agreement between a supplier and a customer."

Page 5 of the Office Action incorrectly states that, with respect to independent Claim 30, the claim limitations are "directed to non-statutory subject matter." However, independent Claim 30, as amended, recites a computer program embedded in a *computer readable medium*, where the computer program is "***operating upon a replaceable hardware module of a modular system***" (emphasis added). A computer readable medium having a functional program recorded thereon is clearly a product of manufacture, contrary to the Examiner's statement.

Moreover, MPEP §2106.1 states "[d]escriptive material can be characterized as either "functional descriptive material" or "nonfunctional descriptive material." In this context, "functional descriptive material" consists of data structures and *computer programs which impart functionality* when employed as a computer component." Claim 30 recites a computer program that "*operates upon a replaceable hardware module of a modular system*", which clearly imparts functionality. In addition, "[w]hen functional descriptive material *is recorded on some computer-readable medium*, it becomes structurally and functionally interrelated to the medium and will be statutory," (MPEP §2106.1) (emphasis added). As stated above, Claim 30 explicitly recite "*a computer readable medium*" having a computer program embedded therein. Support for the amended language of Claim 30 can be found at least on Page 3, lines 29-33 of the Specification.

Accordingly, independent Claim 30 is indeed directed toward statutory subject matter in compliance with 35 U.S.C. §101, and the Examiner's rejection should be reversed with respect to Claims 30.

Based on the above, Applicants respectfully request that the rejection of Claims 1-14, 20-21, and 28-33 under 35 U.S.C. §101 be withdrawn.

Claim Rejections – 35 U.S.C. §112

On page 5 of the Office Action, Claims 10 and 11 were rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which application regards as the invention. Claims 10 and 11 have now been amended so as to clearly qualify as product claims. Therefore, Applicants respectfully request that the rejection of Claims 10 and 11 under 35 U.S.C. §112 be withdrawn.

On Page 6 of the Office Action, Claim 2 was rejected under 35 U.S.C. §112 as being indefinite for failing to particularly point out and distinctly claim the subject matter which application regards as the invention. Applicants respectfully disagree with the Examiner's rejection of Claim 2. The term "the module" has proper antecedent basis from "a replaceable hardware module" of Claim 1, from which Claim 2 depends. For clarification purposes, Claim 2 has been amended to now recite a program, where the history is "stored on the <u>hardware module</u>". "A replaceable hardware module" is now recited in Claim 1, thus, clearly providing a proper antecedent basis for the use of the claimed term "the hardware module" in Claim 2. As such, Applicants respectfully request that the rejection of Claim 2 under 35 U.S.C. §112 be withdrawn.

On Page 6 of the Office Action, Claim 20 was rejected under 35 U.S.C. §112 as being indefinite for failing to particularly point out and distinctly claim the subject matter which application regards as the invention. Specifically, the Office Action states that Claim 20 fails to limit the scope of the invention. Claim 20 has been amended to obviate this rejection. Claim 20, now rewritten in independent form, has been amended to read as follows:

20.   A modular system comprising:
one or more modules; and
a program controller arranged for use with the modular system, and arranged to manage a program for use with a replaceable hardware module of the modular system, the module being a customer-replaceable part, the controller being arranged to manage the program automatically, according to an agreement between a supplier and a customer, and according to a stored history of use of the hardware module.

Based upon the revised language of Claim 20, Applicants respectfully request that the rejection of Claim 20 under 35 U.S.C. §112 be withdrawn.

Claim Rejections – 35 U.S.C. §102

On page 7 of the Office Action, Claims 1-4, 20-21, and 28-33 were rejected under 35 U.S.C. §102(b) as being unpatentable over U.S. Patent No. 5,926,624 to Katz *et al.* ("Katz"). Applicants respectfully disagree with this rejection.

Claim 1, as amended recites, in part, "[a] program controller arranged for use with a modular system, and arranged to manage a program for use with a replaceable hardware module of the modular system . . . the controller being arranged to manage the program automatically *according to an agreement between a supplier and a customer, the agreement having terms stored within the program controller . . .*" Support for this amendment can be found at least on Page 14, lines 33-35 of the specification. Katz fails to disclose or even suggest a program controller that "manages a program for a hardware module based on an agreement between a supplier and a customer", much less an agreement that has terms stored within the program controller itself.

The apparatus in the Katz reference is directed toward a digital information library having encryption protocols for securing the transfer of digital information library programs to a

11

client's computer system and to a mobile digital information playback device. Katz discloses the

use, by the client's computer system, of logic for requesting downloads of selected digital files

from the library server, and discloses logic for downloading the selected file to the mobile

device. Katz fails to disclose or suggest a program controller that is arranged to "manage a

program for use with a replaceable hardware module of a modular system." The Office Action

vaguely refers to Column 11, lines 1-31 as disclosing the program controller. Yet this passage

fails to identify, *specifically*, what the program controller is. Instead, it merely refers to the

various components of the library server and the client computer system, none of which

constitute the program controller apparatus as recited in Claim 1. In fact, nowhere in the Katz

reference is there any disclosure of a program controller adapted to perform the functions recited

in Claim 1.

Of further note is the absence of any disclosure whatsoever describing or suggesting a

program controller that automatically manages a program "according to an agreement between a

supplier and a customer". There is also no discussion of "the agreement having terms stored in

the program controller" itself, as now recited in Claim 1. The system in Katz does not operate

based on the terms of any agreement between a supplier and a customer. The storage of client

identifiers, client billing history, player usage history and other client personal information does

not equate to a program controller that operates based upon an *agreement* between the customer

and the supplier.

Claims 2-14 are each dependent either directly or indirectly from independent Claim 1,

discussed above. Independent Claims 20, and 28-30 recite similar features to those in Claim 1,

and each include the feature of "an agreement between the supplier and the customer". Claims

21 and 31 depend from independent claim 20. These claims recite additional limitations which, in conformity with the features of their corresponding independent claim, are not disclosed or suggested by the art of record. The dependent claims are therefore believed patentable. However, the individual reconsideration of the patentability of each claim on its own merits is respectfully requested.

For all of the above reasons, the claim objections are believed to have been overcome placing Claims 1-14, 20-21, 28-31 in condition for allowance, and reconsideration and allowance thereof is respectfully requested.

The Examiner is encouraged to telephone the undersigned to discuss any matter that would expedite allowance of the present application.

The Commissioner is hereby authorized to credit overpayments or charge payment of any additional fees associated with this communication to Deposit Account No: 141315.

Respectfully submitted,

Date: November 9, 2009   By: /Alan M. Weisberg/
                                     Alan M. Weisberg
                                     Reg. No: 43,982
                                     Attorney for Applicants
                                     Christopher & Weisberg, P.A.
                                     200 East Las Olas Boulevard, Suite 2040
                                     Fort Lauderdale, Florida 33301
                                     Customer No. 31292
                                     Tel: (954) 828-1488
                                     Fax: (954) 828-9122
                                     email: ptomail@cwiplaw.com

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